

LATHAM & WATKINS LLP

1271 Avenue of the Americas

New York, NY 10020

Telephone: (212) 906-1200

Facsimile: (212) 751-4864

George A. Davis

George Klidonas

Anupama Yerramalli

Randall C. Weber-Levine

Scott Yousey

Counsel to the Reorganized Debtor

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

2U, Inc.,

Reorganized Debtor.¹

Chapter 11

Case No. 24-11279 (MEW)

(Jointly Administered)

Related Docket Nos. 276 and 286

**NOTICE OF SETTLEMENT OF CLAIMS
AND WITHDRAWAL OF RELATED MATTERS**

PLEASE TAKE NOTICE that, on July 25, 2024 (the “*Petition Date*”), 2U, Inc. and its debtor affiliates (the “*Debtors*” or “*Reorganized Debtors*,” as applicable) in the above-captioned cases (the “*Chapter 11 Cases*”) filed voluntary petitions for relief under 11 U.S.C. §§ 101 *et seq.* (the “*Bankruptcy Code*”) in the United States Bankruptcy Court for the Southern District of New York (this “*Court*”) commencing these Chapter 11 Cases.

¹ The Reorganized Debtor in this case, along with the last four digits of the Reorganized Debtor’s federal tax identification number, is: 2U, Inc. (5939). The Reorganized Debtor’s mailing address is 2345 Crystal Drive, Suite 1100, Arlington, Virginia 22202.

PLEASE TAKE FURTHER NOTICE that, on August 23, 2024, the Debtors filed the *Second Amended Joint Prepackaged Plan of Reorganization of 2U, Inc. and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 90] (as amended, restated, supplemented, or otherwise modified from time to time, the “**Plan**”);

PLEASE TAKE FURTHER NOTICE that, on September 9, 2024, the Court entered the *Order (A) Approving (I) the Disclosure Statement and (II) Confirming the Second Amended Joint Prepackaged Plan of Reorganization of 2U, Inc. and its Debtor Affiliates under Chapter 11 of the Bankruptcy Code, and (B) Granting Related Relief* [Docket No. 176], confirming the Plan and approving the Disclosure Statement with respect to the Plan (the “**Confirmation Order**”);

PLEASE TAKE FURTHER NOTICE that the Plan went effective on September 13, 2024 (the “**Effective Date**”), and the Debtors filed the Notice of Effective Date [Docket No. 178];

PLEASE TAKE FURTHER NOTICE that KCP Harkins Fee Owner, LLC (“**KCP**”) and Debtor 2U Harkins Road, LLC (the “**Debtor-Tenant**”) were previously parties to that certain Office Lease, dated as of December 23, 2015 (as amended, restated, supplemented, or otherwise modified from time to time, the “**KCP Lease**”), pursuant to which KCP leased to Debtor-Tenant certain real property located at 7900 Harkins Road, Lanham, MD 20706 (the “**Premises**”);

PLEASE TAKE FURTHER NOTICE that the KCP Lease and the obligations thereunder were guaranteed by 2U, Inc. (the “**Debtor-Guarantor**”), pursuant to that certain Guaranty and Subordination Agreement, dated as of December 23, 2015 (as amended, restated, supplemented, or otherwise modified from time to time, the “**Guaranty**”);

PLEASE TAKE FURTHER NOTICE that the KCP Lease was rejected by the Debtors, effective as of August 31, 2024 [Docket No. 168];

PLEASE TAKE FURTHER NOTICE that, on October 10, 2024, KCP submitted (a) Proof of Claim No. 10051 (the “**Guarantor Claim**”), asserting against the Debtor-Guarantor an unsecured claim in the amount of \$10,436,223.47, consisting of (i) \$10,332,059.70 calculated as the amount allowable under section 502(b)(6) of the Bankruptcy Code, *plus* (ii) \$39,087.27 in unpaid prepetition utilities, *plus* (iii) \$65,076.50 in attorneys’ fees incurred prepetition; and (b) Proof of Claim No. 10052 (the “**Primary-Obligor Claim**” and, together with the Guarantor Claim, the “**KCP Claims**”), asserting against the Debtor-Tenant an unsecured claim in the amount of \$8,436,223.47, consisting of (i) \$10,332,059.70 calculated as the amount allowable under section 502(b)(6) of the Bankruptcy Code, *plus* (ii) \$39,087.27 in unpaid prepetition utilities, *plus* (iii) \$65,076.50 in attorneys’ fees and costs incurred prepetition, *minus* (iv) \$2,000,000 that KCP drew from a letter of credit issued by JPMorgan Chase Bank, N.A. in connection with the KCP Lease.

PLEASE TAKE FURTHER NOTICE that, on December 9, 2024, KCP filed *KCP Harkins Fee Owner, LLC’s Motion to Compel Payment of Its Claims Against Debtors 2U, Inc. and 2U Harkins Road, LLC and for Related Relief* [Docket No. 273] (the “**Motion**”), seeking, among other things, an order compelling payment of the KCP Claims.

PLEASE TAKE FURTHER NOTICE that, on December 16, 2024, the Reorganized Debtors filed the *Reorganized Debtors’ Objection to the Claims Filed by KCP Harkins Fee Owner, LLC* [Docket No. 281] (the “**Objection**”), objecting to the KCP Claims.

PLEASE TAKE FURTHER NOTICE that, on January 21, 2025, KCP filed *KCP Harkins Fee Owner, LLC’s Supplement to Motion to Compel Payment of its Claims Against Debtors 2U, Inc. and 2U Harkins Road LLC, and for Related Relief* [Docket No. 296] (the

“Supplement” and, together with the Motion and the Objection, collectively, the *“Withdrawn Matters”*).

PLEASE TAKE FURTHER NOTICE that the Reorganized Debtors and KCP dispute certain components of the KCP Claims and the Objection, as discussed in the Withdrawn Matters (the *“Claim Disputes”*).

PLEASE TAKE FURTHER NOTICE that, on March 25, 2025, the Debtor-Tenant, the Debtor-Guarantor, and KCP entered into a settlement agreement (the *“KCP Settlement Agreement”*) that resolves the KCP Claims and the Claim Disputes.

PLEASE TAKE FURTHER NOTICE that satisfaction of KCP’s claims under the KCP Settlement Agreement is subject to payment by or on behalf of the Reorganized Debtors of an agreed upon amount (the *“Settlement Amount”*) to be paid in installments through July 2025, and that, upon payment in full of the Settlement Amount, all remaining claims of KCP against the Reorganized Debtors shall be fully and finally satisfied, settled, released, and discharged.

PLEASE TAKE FURTHER NOTICE that KCP and the Reorganized Debtors each submit to the ongoing jurisdiction of the Court to resolve any dispute in connection with the KCP Settlement Agreement.

PLEASE TAKE FURTHER NOTICE that KCP hereby withdraws the Motion and the Supplement.

PLEASE TAKE FURTHER NOTICE that the Reorganized Debtors hereby withdraw the Objection.

PLEASE TAKE FURTHER NOTICE that the Withdrawn Matters were scheduled to be heard at a hearing (the *“Hearing”*) on April 4, 2025, at 11:00 a.m. (Prevailing Eastern Time) at the Court. As a result of the foregoing, the Withdrawn Matters will not be going forward.

PLEASE TAKE FURTHER NOTICE that, for the avoidance of doubt, all other matters scheduled for the Hearing will be going forward as scheduled.

[Remainder of page intentionally left blank]

Dated: March 28, 2025
New York, New York

LATHAM & WATKINS LLP

By: /s/ George A. Davis
George A. Davis
George Klidonas
Anupama Yerramalli
Randall C. Weber-Levine
Scott Yousey
1271 Avenue of the Americas
New York, NY 10020
Telephone: (212) 906-1200
Facsimile: (212) 751-4864
Email: george.davis@lw.com
george.klidonas@lw.com
anu.yerramalli@lw.com
randall.weber-levine@lw.com
scott.yousey@lw.com

Counsel to the Reorganized Debtors

FOLEY & LARDNER LLP

By: /s/ Alissa M. Nann
Alissa M. Nann
90 Park Avenue
New York, NY 10016
Telephone: (212) 682-7474
Email: anann@foley.com

Counsel to KCP Harkins Fee Owner LLC